



Oregon

John A. Kitzhaber, M.D., Governor

Public Utility Commission
550 Capitol Street NE, Suite 215
Salem, OR 97301-2551
(503) 373-7394

July 13, 2001

RECEIVED

Margalie Roman-Salas
FCC Secretary
Office of the Secretary
Federal Communications Commission
445 Twelfth Street, SW. TW A325
WASHINGTON DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 00-199 - Supplemental Comments of Public Utility Commission of Oregon (OPUC) in the Matter of 2000 Biennial Regulatory Review - Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2

Class A Uniform System of Accounts

OPUC supports the changes to the Class A Uniform System of Accounts, as published in the Federal Register on June 26, 2001, except as follow:

1. Account 4040, Customer Deposits.

The FCC's proposal would combine balance sheet accounts 4010 through 4060 as account 4000, Current Accounts and Notes Payable. Under Oregon's consumer service rules 860-021-0210 and 860-034-0160, companies must keep detailed records; and OPUC requires companies to report the balance of customer deposits annually. The FCC should keep account 4040 and renumber it, if necessary. OPUC will continue to require Oregon's companies to use account 4040 and report their balances in the account at year end.

2. Accounts 6561 through 6565, Depreciation and Amortization Expenses.

The FCC's proposal would combine income statement accounts 6561 through 6565 as account 6560, Depreciation and Amortization Expenses. OPUC does not oppose combining account 6561, Depreciation Expense - Telecommunications Plant in Service, with accounts 6563 through 6565, Amortization Expenses. However, account 6562, Depreciation expense - Property Held for Future Telecommunications Use, should not be combined.

Oregon has a statute regarding "not used and useful costs," which includes property held for future use and short-term construction. Operating expenses, taxes, and rate base related to "not used and useful plant," may not be included in utilities' costs of service. OPUC will continue requesting information on an annual basis from Oregon's 34 companies about costs, such as depreciation, related to property held for future use and construction work in progress.

3. Accounts 6711 through 6790, Corporate Operations Expenses.

The FCC's proposal would combine income statement accounts 6711 through 6790 as account 6710, Corporate Operations Expenses. These accounts provide information about executive and planning ex-

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pense, general and administrative expense, and uncollectible notes receivable. OPUC uses the details annually for access charge filings and Oregon Universal Service. The accounts should not be combined to this extent. OPUC recommends the following combinations instead:

- a. Combine accounts 6711 and 6712 as account 6710, Executive and Planning Expense.
- b. Combine accounts 6721 through 6728 as account 6720, General and Administrative.
- c. Keep account 6790, provision for uncollectible notes receivable.

Class B Uniform System of Accounts

OPUC supports the changes to the Class B Uniform System of Accounts, as published in the Federal Register on June 26, 2001, except as follow:

1. Account 4040, Customer Deposits.

The FCC's proposal would let Class B companies combine balance sheet accounts 4010 through 4060 as Current Accounts and Notes Payable. See OPUC's comments about the Class A Uniform System of Accounts, above.

2. Accounts 2111 through 2124, Land and Support Assets.

The FCC's proposal would let Class B companies combine balance sheet accounts 2111 through 2124 as account 2110, Land and Support Assets. These accounts provide detailed plant information that OPUC uses annually for access charge filings and Oregon Universal Service. The accounts should not be combined. OPUC will continue to require Oregon's Class B companies to use accounts 2111 through 2124.

3. Accounts 2231 and 2232, Central Office - Transmission.

The FCC's proposal would let Class B companies combine balance sheet account 2231, Radio Systems, with account 2232, Circuit Equipment. These accounts provide plant data that OPUC uses annually for access charge filings and Oregon Universal Service. The accounts should not be combined. OPUC will continue to require Oregon's Class B companies to use accounts 2231 and 2232.

4. Accounts 2411 through 2441, Cable and Wire Facilities.

The FCC's proposal would let Class B companies combine balance sheet accounts 2411 through 2441 as account 2410, Cable and Wire Facilities. These accounts provide detailed plant information that OPUC uses annually for access charge filings and Oregon Universal Service. The accounts should not be combined. OPUC will continue to require Oregon's Class B companies to use accounts 2411 through 2441.

5. Accounts 6211 through 6215, Central Office Switching Expenses.

The FCC's proposal would let Class B companies combine income statement accounts 6211 through 6215 as 6210, Central Office Switching Expense. These accounts provide detailed expense information that OPUC uses annually for access charge filings and Oregon Universal Service. The accounts should not be combined. OPUC will continue to require Oregon's Class B companies to use accounts 6211 through 6215.

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6. Accounts 6231 and 6232, Central Office Transmission Expenses.

The FCC's proposal would let Class B companies combine income statement accounts 6231 and 6232 as 6230, Central Office Transmission Expenses. These accounts provide detailed expense information that OPUC uses annually for access charge filings and Oregon Universal Service. The accounts should not be combined. OPUC will continue to require Oregon's Class B companies to use accounts 6231 and 6232.

7. Accounts 6411 through 6441, Cable and Wire Facilities Expenses.

The FCC's proposal would let Class B companies combine income statement accounts 6411 through 6441 as 6410, Cable and Wire Facilities Expenses. These accounts provide detailed expense information that OPUC uses annually for access charge filings and Oregon Universal Service. The accounts should not be combined. OPUC will continue to require Oregon's Class B companies to use accounts 6411 through 6441.

8. Accounts 6511 and 6512, Other Property, Plant and Equipment Expenses.

The FCC's proposal would let Class B companies combine income statement accounts 6511 and 6512 as 6510, Other Property, Plant and Equipment Expenses. Oregon has a statute regarding "not used and useful costs," which includes property held for future use and short-term construction. Operating expenses, taxes, and rate base related to "not used and useful plant," may not be included in utilities' costs of service. OPUC will continue requesting information on an annual basis from Oregon's Class B companies about costs related to property held for future use.

9. Accounts 6561 through 6565, Depreciation and Amortization Expenses.

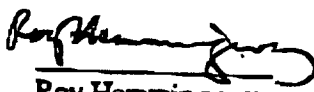
The FCC's proposal would let Class B companies combine income statement accounts 6561 through 6565 as account 6560, Depreciation and Amortization Expenses. See OPUC's comments about the Class A Uniform System of Accounts, above.

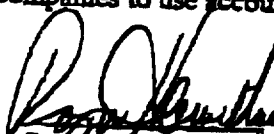
10. Accounts 6711 through 6790, Corporate Operations Expenses.

The FCC's proposal would let Class B companies combine income statement accounts 6711 through 6790 as Corporate Operations Expenses. See OPUC's comments about the Class A Uniform System of Accounts, above.

11. Accounts 7210 through 7250, Operating Taxes.

The FCC's proposal would let Class B companies combine accounts 7210 through 7250 as account 7200, Operating Taxes. These accounts provide detailed expense information that OPUC uses annually for access charge filings and Oregon Universal Service. The accounts should not be combined. OPUC will continue to require Oregon's Class B companies to use accounts 7210 through 7250.


Roy Hemmingway
Chairman


Roger Hamilton
Commissioner


Joan H. Smith
Commissioner

Merck Vicki

From: SMITH Joan
Sent: Friday, July 13, 2001 2:01 PM
To: Merck Vicki
Subject: Two labels, please

NARUC Resolutions

Network Study Group: Seattle (July 2001)